

Canada Needs Protection Because

THE INTERNATIONAL ECONOMIC MOVEMENT IS TOWARDS PROTECTION

GREAT BRITAIN

Great Britain is committed to Imperial preference, is restricting imports, and protecting home industries.

AUSTRALIA

Acting Premier Watt, of Australia, has announced the introduction of a measure for higher protective duties.

SOUTH AFRICA

The Premier of South Africa has stated that the revenue tariff of that country will be increased to protect home industries.

FRANCE

France is exercising Government control of imports to build up home manufactures and home markets.

JAPAN

Japan is imitating pre-war Germany and is following an extreme policy of protection.

BRAZIL

Practically every leading statesman of Brazil has declared and voted for a stiff protective tariff, and the country is solid for such a measure.

UNITED STATES

In the United States the Republican Party has now a majority in both the Senate and the House of Representatives, and it has always supported a high tariff.

LP
F5012
1919
C2127

1919

The United States Tariff Commission is urging the enactment of a "bargaining tariff," even in advance of a general revision of the tariff law.

A higher tariff for the United States has been forecast by Chairman Fordney, of the Ways and Means Committee of the next United States Congress, who will be the author of the new tariff bill. He emphasizes the importance of the home market, which, in normal times, consumes between 90 and 93 per cent. of the entire production of the United States. "I am not in favor," he says, "of chasing rainbows around the world to find a market for our surplus, which in amount is only about 7 per cent. of our normal production, and at the same time neglect our home market and open the bars to the flood of goods offered us, made by the cheap labor of the world, to the detriment of our own laboring people."

Congressman Gillett, of Massachusetts, who will be Speaker of the House of Representatives in the new United States Congress, says: "At the earliest opportunity there should be passed by the Republicans of the House a protective tariff measure which will provide more abundant revenue and prevent an inundation of foreign goods produced by cheaper labor."

Senator Primrose, who will be Chairman of the Finance-Tariff Committee in the new United States Senate, said, in a speech before the Manufacturers' Club of Philadelphia: "Once again we must take up the task, under new and unprecedented conditions, of framing a protective schedule which will provide adequate protection for American capital and labor and secure the industrial independence of the United States; a protective tariff which will very largely ensure the Mexican market to the American producer thus enabling us to maintain the high scale of wages required by our living standards, and start the country once more upon a triumphal march of development and progress. We must prepare for it not, as heretofore, against foreign competition from nations which were either free trade or largely had merely a protective tariff, but as against industries of nations aided in every conceivable way by government, subvention, subsidies, contracts, regulations, and tariffs. In other words, a protective tariff system is more vitally necessary to the United States in the immediate future than ever before in its history. Without its proper enactment, distress and perhaps ruin will stare our people in the face. We must proceed in a heroic way."

Mr. Frank W. Mondell, Congressman from Wyoming, who will be Republican leader in the House of Representatives at the forthcoming session, states that there will probably be "a revision of the tariff with a view to providing rates that will be protective under the new conditions brought about by the war."

Mr. Wm. S. Culbertson, of the United States Tariff Commission, believes there will be a tariff revision upwards after the next presidential election. He is interested in closer trade relations with Canada, but declares they cannot be established on the basis of the Reciprocity Agreement. While technically the offer is still open, he contends that the United States is not under any moral obligation. "We cannot sacrifice the interests of our Middle West in favor of the Canadian West. Any reciprocity agreement must rather take the form of concessions in non-agricultural products."

Mr. Frank Lyon Polk, counsellor for the Department of State, says that the Reciprocity Agreement would have to be reviewed by both Governments before any action could be taken to put it into force.

Senator Warren G. Harding, of Ohio, a former Lieutenant-Governor of the State and Chairman of the Republican National Convention of 1916, recalls the strong reaction, especially in the border states, against the agreement in the United States after it had been rejected by the people of Canada, and is confident that Congress would never consent to that agreement.

Senator Francis E. Warren, of Wyoming, who is likely to be chairman of the Senate Committee on Committees, says: "We are ready to consider a new trade arrangement, but we consider that of 1911 as behind us and not to be put into force."

In a special article in the Manitoba Free Press, Mr. J. A. Aiken, writing from Washington, says: "The reciprocity pact of 1911 is regarded as obsolete, and not to be considered as going into force by consent from Ottawa."

PROTECTION IS THE KEYNOTE OF INTERNATIONAL TRADE PREPARATIONS

CANADA

Canada is the only country where the difficulties of reconstruction have been aggravated by any formidable movement for tariff reduction.

Under protection, the Dominion has successfully borne the burden of four and a half years of war. Wages have been high and agriculture and industry have prospered.

The Home market that absorbs 80 per cent. of Canada's agricultural products has been built up under protection.

The present is no time for economic experiments.

Even the suggestion of change in economic policy halts the wheels of industry.

Any radical revision of the tariff downwards would be fatal to industrial stability.

Industrial stability is essential to national prosperity.

Under protection, Canada has built up great manufacturing industries employing 700,000 persons and paying over \$550,000,000 in wages and salaries.

Under protection, over 500 United States manufacturing firms have established branches in Canada.

The 500 Canadian branches of United States firms give employment to some 80,000 people in Canada, to whom they pay annually about \$80,000,000 in wages.

Over 2,000,000 Canadians are directly dependent for their livelihood upon the continued prosperity of Canadian industries.

Between the date of the signing of the armistice and the end of this year, 500,000 war veterans and war workers must be provided with necessary employment.

Under protection, Canada has constructed great transcontinental railways dependent for profitable operation upon east and west traffic.

Without protection, the new Government railway system cannot succeed.

Reciprocity will mean loss to railways and steamship companies, and their employees, who carry Canadian goods.

Reciprocity will mean loss to bankers, brokers, and commission agents who help to finance Canadian industries.

Reciprocity will mean loss to the innumerable investors who own stock in Canadian manufacturing concerns.

Reciprocity will mean loss to the doctors, lawyers, dentists, teachers, clergymen, the insurance agents, the publishers, and all others whose incomes depend greatly upon industrial conditions in Canada.

Canadian money is now at a discount. Any radical revision of the tariff downwards will stimulate imports and aggravate the costly exchange situation.

With protection, Canada has been able to raise the large revenues necessary to carry its war burden and conduct national business. Under Free Trade where will the revenue come from?

PROTECTION IS FOR CANADA A NATIONAL AND NOT A SECTIONAL POLICY. IT KEEPS THE WHEELS OF INDUSTRY GOING, DEVELOPS THE HOME MARKET THAT IS NOW TAKING 80 PER CENT. OF THE PRODUCTS OF CANADIAN FARMS, PROVIDES EMPLOYMENT AT FAIR WAGES FOR CANADIAN WORKERS, STIMULATES NATIONAL DEVELOPMENT, AND ASSISTS PROSPERITY.